

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

SB 1169

March 30, 2023

SUMMARY OF BILL: Authorizes a utility district to reimburse members of the board of commissioners (Board) for premiums paid for: (1) participation in individual medical insurance plans and life insurance plans and (2) medical insurance coverage by Medicare and any Medicare supplemental insurance policy.

FISCAL IMPACT:

Other Fiscal Impact – Due to multiple unknown factors, a precise, recurring decrease in local expenditures cannot be reasonably quantified.

Assumptions:

- Pursuant to Tenn. Code Ann. § 7-82-308(a)(1), members of a utility district's Board are entitled to payment of premiums for group medical insurance coverage and group life insurance coverage; provided that such payments do not exceed the per person cost of the utility district's group coverage for its employees.
- The proposed legislation would entitle commissioners to reimbursement of payments for premiums paid in individual plans as well as for premiums paid for Medicare coverage and any Medicare supplemental policy, upon adoption of a resolution by the Board.
- Based on information provided by the Tennessee Association of Utility Districts,
 - The current restrictions on reimbursements often result in commissioners electing to be a part of a utility district's group insurance plan and remaining on such plan after turning 65 years of age;
 - The proposed legislation may result in some commissioners leaving the utility district's group plan and seeking reimbursement for an individual medical insurance plan or for a Medicare and Medicare supplemental insurance policy; and
 - A reimbursement for an individual medical plan or a Medicare policy would likely be less expensive than the premium a utility district currently pays for a commissioner's group plan coverage.
- Due to multiple unknown factors such as: which Boards would adopt a resolution authorizing such reimbursements, the total amount of premium payments currently paid by each utility district, the number of commissioners that would elect to drop group coverage, and the difference in cost for any individual plan or Medicare plan, a precise, recurring decrease in local expenditures cannot be reasonably quantified.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumption:

- The proposed language applies to certain locally owned and operated utility districts and will, therefore, not result in any significant impact to jobs or commerce in Tennessee.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The signature is written in a cursive, flowing style.

Krista Lee Carsner, Executive Director

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